



## EXECUTIVE ORDER

# RETIREMENT INCENTIVE OPTION FOR GENERAL FUND MUNICIPAL EMPLOYEES

EO No.

EO 1-54

Effective Date:

Upon Approval

### 1. PREFACE

The purpose of this executive order is to provide a voluntary retirement incentive option for general fund municipal employees, which would allow employees to realize financial savings on their health benefits and interest enhancements to their termination pay during the term of the option.

### 2. SCOPE

This executive order applies to all City departments with general fund positions.

### 3. DEFINITIONS

Irrevocable election: A voluntary, unretractable written notification of the employee's desire to retire from employment with the City of Houston.

Termination pay: Payout of any unused eligible leave accruals.

### 4. GENERAL PROVISIONS

#### 4.1. Responsibilities

4.1.1. The Mayor shall be responsible for determining:

4.1.1.1. each time this option is available to municipal employees; and

4.1.1.2. the enrollment period for this option.

4.1.2. The Department Directors shall be responsible for evaluating operational continuity and risks of retirement of key positions on a permanent basis.

4.1.3. The Finance Department shall be responsible for providing the department directors with a financial report and recommendation on whether the termination pay should be paid out in a lump-sum or installment payments to the municipal employee electing this retirement option.

4.1.4. The Human Resources Department shall be responsible for developing and implementing procedures for this retirement option.

4.1.5. Employees utilizing this option shall be responsible for verifying their retirement eligibility with their pension system.

#### 4.2. Requirements

4.2.1. The municipal employees utilizing this retirement option must:

Approved:

Date Approved:

03/25/2016

Page 1 of 2

- 4.2.1.1. be an incumbent in a position funded by the general fund;
- 4.2.1.2. be eligible to retire during the enrollment period; and
- 4.2.1.3. submit the Retirement Incentive Option For General Fund Municipal Employees Election Form, with an irrevocable election indicating the effective date the employee shall vacate the position.
- 4.2.2. Departments whose municipal employee elects this retirement option shall be required to delimit the incumbent's general funded position from the department's operating budget, unless an exception is granted by the Mayor.
- 4.2.3. Employees utilizing this option shall be allowed to retire and the City shall subsidize their health benefits according to the health benefits subsidy chart in Section 6.
- 4.2.4. The Mayor has the discretion to revise the health benefits subsidy chart and determine the interest rate to be paid on termination pay each time this retirement option is made available to municipal employees.
- 4.2.5. During the enrollment period, the City shall allow up to one hundred (100) municipal employees who are incumbents in positions funded by the general fund to participate in this retirement option, unless the Mayor otherwise determines an alternative number of municipal employees may participate in this retirement option.
- 4.2.6. Municipal employees utilizing this retirement option shall be accepted on a first come first serve basis, based upon the date and time stamp on the Retirement Incentive Option For General Fund Municipal Employees Election Form. The Human Resources Department shall date and time stamp each Retirement Incentive Option For General Fund Municipal Employees Election Form upon receipt.
- 4.2.7. Any Retirement Incentive Option for General Fund Municipal Employees Election Form(s) received by the Human Resources Department after the allotted number of employees for that enrollment period will not be processed and the irrevocable election will be voided.

## **5. RELATED DOCUMENTS AND INFORMATION**

- Retirement Incentive Option For General Fund Municipal Employees Form
- Municipal Retirement Incentive Option Benefits Election Form

## **6. APPENDICES**

- Health Benefits Subsidy Chart